



13 June 2018

Re: Proposal to Vary the Waterford County Development Plan

It has come to our attention that a proposal to vary the Waterford County Development Plan may be brought before a meeting of Waterford City and County Council in the near future.

By way of introduction, I am Managing Director of Innogy Renewables Ireland Limited, which is a wholly owned subsidiary of Innogy SE. Innogy SE is one of the largest energy utilities in Germany and has a significant foot print in other European markets. Our business includes renewables, grid operation and retail. We currently have c. 40,000 employees and operate renewable generation capacity of over 3.3GW, including over 1.9GW of onshore wind, producing over 10billion kWh per annum in total across 9 European Countries. In 2016 Innogy Renewables Ireland was established with a view to growing a sustainable long term energy company in Ireland. We currently have 8 employees based in our office in Kilkenny city and are looking to grow our Irish employment further in the South-East of Ireland by continued foreign direct investment into the Irish economy. Our current activity in Ireland is the development of onshore and offshore wind and battery storage projects to assist with the decarbonisation of the Irish energy sector in the coming decades.

BACKGROUND

As you may be aware, the proposed variation is being promoted by objectors to a proposed wind farm development, planned for the Lyrenacarriga and surrounding townlands in west Waterford. The proposed €150-million Lyrenacarriga Wind Farm is being progressed by Innogy Renewables Ireland Ltd. in partnership with Irish energy company Highfield Energy, who have employed McCarthy Keville O'Sullivan Ltd. to undertake the environmental impact assessment and seek planning permission for the project.

As you will be aware, the Irish Government has national and international obligations to reduce our reliance on fossil fuels and to move to more sustainable and renewable sources of energy and combat the effects of climate change. Failure to do so will result in the Irish Government being fined in the region of €125million per year from 2020 – a cost that will subsequently be passed on to every Irish resident via the tax system. These obligations and targets can only be met through a wide range of measures, including the construction of new wind farms. In 2017, electricity generated from wind farms accounted for 24% of all electricity used in Ireland. Wind energy is making a very significant contribution to meeting our national and international climate change obligations.

Innogy Renewables Ireland Limited

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Registered Office: Innogy Renewables Ireland Limited • Riverside Two • Sir John Rogerson's Quay • Dublin 2 • Ireland
Registered in Ireland no. 589120

Directors: Cathal Hennessy, Michael Parker (British) Martin Andre-Ferreira (British) and Benjamin Freeman (British)

The current Waterford County Development Plan 2011-2017, was adopted with the benefit of a Strategic Environmental Assessment (Volume 4), a Habitats Directive Article 6 Appropriate Assessment (Volume 5), a Scenic Landscape Evaluation (Appendix A9) and a Wind Energy Strategy (Appendix A8). The Development Plan drafting process, and all of these documents combined, considered it appropriate to classify the areas centred on Tallow and south of Lismore as Preferred Areas (for wind energy development) and areas Open For Consideration, respectively.

Any wind farm development that might be proposed in these areas will have to be the subject to a very detailed Environmental Impact Assessment, and will be subject to the full rigour of the planning process. The Lyrencarriga Wind Farm proposal is at an early stage of assessment, this proposed location was selected after a detailed screening of Co. Waterford and East Cork.

PROJECT BENEFITS

Should Lyrencarriga Wind Farm be consented, it has the potential to provide significant additional income for investment in community projects that will benefit local residents and businesses.

innogy has a long history working with communities on renewable energy projects and have committed to contribute a community benefit fund in line with new RESS proposals when they are announced by the Government later this summer. It is anticipated that such a fund could be in the region of €6,000 per MW of installed capacity, meaning that a wind farm producing 50-80MW per year could result in a fund of **€300,000 - €480,000 per year for the local community**, subject to the final installed capacity of the wind farm. This represents a dependable source of income for the community local to Lyrencarriga.

innogy supports the development of a funding process that puts decision making on what funds are spent where in the hands of local people. The flexibility of the income that could come from Lyrencarriga Wind Farm would mean that the community could decide how to invest the income in a variety of projects that will benefit residents, local businesses and the community as a whole including creating job opportunities and skills development, tourism initiatives and area regeneration projects.

A further potential income stream could come via innogy offering the local community the opportunity to participate in a community **shared ownership scheme** whereby they could invest in the wind farm in return for a share of future revenue. Again, the results of the RESS proposals when published will provide clarity on how this could work.

A significant wider benefit of the proposed Lyrencarriga Wind Farm is the **annual of business rates contribution of between €400,000 and €600,000** for the full life of the wind farm. These business rates contributions will significantly benefit the wider local economy.

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During the construction phase of the wind farm, there will be supply chain opportunities for local businesses leading to an increase in local job opportunities. Prior to construction starting, innogy

will award the principle contract for Civil Balance of Plant supply and installation of the turbines, and the Electrical Balance of Plant contract. Once these main contracts have been placed, there will be potential opportunities for supply chain companies in the region to tender for subcontracts. The types of businesses that could benefit from this expenditure is wide ranging, and is likely to include: traffic management; materials supply; plant hire; fencing, fuel, security, waste management, signing and lighting, telecommunications, drainage, catering and hotel and B&B businesses.

The above mentioned benefits along with the annual rental payments to local landowners will have significant local and regional economic benefit. The Lyrencarriga Wind Farm, will assist Co. Waterford contributing to national target of decarbonising the Irish energy sector for Ireland to transition to a low carbon economy. Becoming a low carbon economy is a FID criteria that is growing in importance to attract investment into the regions of Ireland, particularly in sectors such as pharmaceutical manufacturing and IT services.

POTENTIAL TO DAMAGE INVESTOR CONFIDENCE IN CO. WATERFORD

Any attempt to vary the current Waterford County Development Plan to reclassify these areas as “No-Go Areas” for wind energy development in order to block a specific project, sets a **very dangerous precedent for County Waterford**. To do so would give a very clear signal that County Waterford is not open for investment, not just renewable energy projects. In fact, to do so specifically with the proposed Lyre wind farm in mind, would be a blatant attempt to undermine the planning process, and the process that was undertaken to prepare the current County Development Plan.

Such a proposed variation to the County Development Plan, deliberately intended to block a specific project, would set a **very dangerous precedent for the County**. To do so would be a blatant attempt to undermine the planning process and process used to create the county development plan. The same tactic could be used to block any future project that also promised to bring investment and employment to County Waterford. Or indeed, any business, agriculture or residential development that a local resident might wish to pursue in the future.

Kind regards.

Yours sincerely,



Cathal Hennessy
Managing Director
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